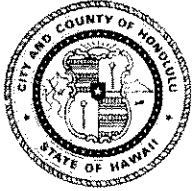


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For Immediate Release
May 19, 2009

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Budget Measures Target Relief for Property Taxpayers

Honolulu City Council Budget Chair Nestor Garcia said his primary focus in crafting the City \$1.8 billion budget was to give homeowners who are being hardest hit some relief. Garcia's comments came in the wake of a marathon Budget Committee hearing that lasted nearly 15 hours yesterday.

The committee more than doubled – to \$175 – the homeowner tax credit proposed by Mayor Mufi Hannemann. The action, if adopted by the full Council, will keep the property tax rate increase to a minimum. "I wanted to find a way to provide some relief for owner occupants and for those who would be hardest hit by property tax rates, such as seniors on fixed incomes and low-income elderly struggling to make ends meet," he said.

Increasing the tax credit, for instance, provides owner occupants who claim the \$80,000 homeowner exemption with a tax rate equivalent to \$3.28 per \$1,000 of assessed value, which is just below what they're paying now, Garcia said.

In addition, Garcia said an owner/occupant taxpayer who is 65 years of age or over, instead of an \$80,000 exemption, would be entitled to a home exemption of \$120,000.

Also, in lieu of the \$120,000 home exemption, low-income owner/occupant taxpayers who are 75 years of age or over qualify for greater exemptions based on age, ranging from \$140,000 to \$200,000, he added.

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He said the property tax burden is shifted to those who own multiple properties. "I'm not overly concerned with those who have the ability to pay, I'm focused on those who could lose their homes if we don't cut them some kind of break," Garcia said.

Among the difficult decisions made yesterday was the deferral of the final rollout of the City's curbside recycling program, a temporary move that does not mean the program is dead. "There is no disagreement on the Council, we are all committed to curbside recycling. And the community is committed to it. We are just delaying it for a time to address some critical budget problems," he said.

"It puts off the purchase of the bins required for the final rollout and doesn't impact any of the areas that currently have curbside recycling, nor the next phase of the rollout (Foster Village to Makiki, and Kahuku to Kahaluu) which means 77 percent of the island will be covered," Garcia added.

Deferring the final rollout of the curbside recycling program affects mostly Leeward area communities from Waipahu to Makua, districts represented by Garcia and Council Chair Todd Apo. The move will save the City around \$6 million.

"Many of the residents in those districts have deep roots there and still remember the plantation days, when people pulled and pooled together to get through the tough times. They understand shared sacrifice and I have great faith in them. I know many of them are disappointed in the delay, but I also know that they will recycle anyway, on their own, without waiting around for government, because they know it's the right thing to do," Garcia said. There are 16 community recycling bins and 13 Hi - 5¢ redemption centers in the affected areas.

Garcia said this is his effort to try and balance the City's budget without breaking the backs of taxpayers. "It's still only a recommendation. I hope that the majority of the members of the Council will agree with me that targeting relief for homeowners and our kupuna is the right thing to do for now. But we'll see at the final vote on June 10."

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